

AVIATION



The Aviation Department operates two municipal airports: Albuquerque International Sunport and Double Eagle II (DEII) Reliever Airport.

The Albuquerque International Sunport is the largest and most active multimodal facility in the state and is an economic engine for New Mexico. The Sunport is a medium hub airport and is home to eight major commercial carriers, seven commuter airlines, and six freight service providers. There are more than six million origin and destination passengers that utilize the Sunport in one given year. The Sunport offers a consolidated rental car facility, located on a 76-acre site approximately a one-half mile west of the terminal. Approximately 1.650 million passengers rent cars annually at this consolidated facility. The Sunport's old terminal building has been preserved and provides a historic significance to the city of Albuquerque. The old terminal building has been listed on the

National Historic Register, the State's Cultural Properties register and is a city landmark. The Foreign Trade Zone (FTZ) has been relocated to the Albuquerque Sunport because of the synergistic possibilities between the air cargo and FTZ opportunities. The Sunport has a taxiway/runway partnership with Kirtland Airforce Base. In addition, the Sunport has a retail concession program, arts collection, and leases a home office to Eclipse Aviation. Eclipse Aviation assembles and manufactures twin-engine jets and has 400 employees. The Sunport and terminal tenants employs over 3500 individuals.

Double Eagle II is located on Albuquerque's west side. This facility has approximately 240 based aircraft and approximately 120 thousand annual airfield operations comprised of training, military, air ambulance, charter, private, and corporate flights. In addition to the robust general aviation activity, DE II is evolving as a center for aerospace industry and a future employment center for Albuquerque's west side. The creation of the Aerospace Technology Park at DEII is allowing for establishment of leading edge high tech industry and the promotion of clean industry for the community. Eclipse Aviation will move manufacturing operations to DEII in 2009, to anchor the park. As a general aviation reliever airport, DEII is a critical component of the Albuquerque Airport System.

MISSION

Provide safe, reliable, and functional facilities for the traveling public, the airlines, airport businesses, and other users of the Sunport and Double Eagle II.

Operating Fund Expenditures by Category (\$000's)	ACTUAL FY/04	ORIGINAL BUDGET FY/05	REVISED BUDGET FY/05	ESTIMATED ACTUAL FY/05	APPROVED BUDGET FY/06	APPR 06/ EST ACT 05 CHG
Personnel	12,119	13,191	13,191	12,672	14,223	1,551
Operating	30,264	13,683	14,066	13,621	13,981	360
Capital	114	0	0	466	0	(466)
Transfers	37,011	42,153	42,153	42,169	40,308	(1,861)
TOTAL	79,508	69,027	69,410	68,928	68,512	(416)
TOTAL FULL TIME POSITIONS	261	261	260	260	262	2

BUDGET HIGHLIGHTS

The operating budget for the Aviation Department is comprised of operational, capital and debt needs. The approved FY/06 operational budget is \$64.6 million, a decrease of \$633 thousand, from the approved FY/05 budget. The decrease is attributed to the \$3.85 million reduction in the transfer to the capital fund which more than offset other increases including a \$1.75 million increase in the transfer to debt service and a \$1.6 million increase for airport operations. The decrease in the transfer to capital is due to sufficient fund balance at the end of FY/05.

The personnel complement is increased by two aviation police officers. Federal mandates justify the need for the increase. The Sunport will now maintain six fully staffed posts. Other proposed adjustments to personnel include the reclassification of four positions that will result in a \$22 thousand savings to the department.

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The Sunport is experiencing an increase in wildlife that has caused some interruptions in the daily operations of the airport. The department is requesting a one time appropriation of \$180 thousand for a wildlife study that would include recommendations on how to care for the wildlife as well as relocation.

The Debt Service Fund transfer from the Operating Fund will increase by \$1.75 million. The increase in the transfer is based on first principle payments due on the 2000B and 2004A bond issues. The fund also contains capitalized interest on the 2004B bond series. Final payment of capitalized interest is due July 1, 2006, which is funded in FY/06.

(\$000's)	ACTUAL FY/04	ORIGINAL BUDGET FY/05	REVISED BUDGET FY/05	ESTIMATED ACTUAL FY/05	APPROVED BUDGET FY/06	APPR 06/ EST ACT 05 CHG
PROGRAM STRATEGY SUMMARY BY GOAL:						
GOAL 3: PUBLIC INFRASTRUCTURE						
<u>AIRPORT OPERATING FUND - 611</u>						
Airport Operations	22,717	24,065	24,448	23,966	25,644	1,678
Bonus Program	302	0	0	0	0	0
Trfr from Fund 611 to Fund 613	15,200	22,150	22,150	22,150	18,300	(3,850)
Trfr from Fund 611 to Fund 615	19,800	17,850	17,850	17,850	19,600	1,750
Trfr from Fund 611to 110	1,114	1,196	1,196	1,196	1,084	(112)
Total Airport Operating Fund – 611	59,133	65,261	65,644	65,162	64,628	(534)
<u>AIRPORT REVENUE BOND D/S FUND - 615</u>						
Debt Service	40,153	21,586	21,586	21,586	23,454	1,868
TOTAL GOAL – 3	99,286	86,847	87,230	86,748	88,082	1,334
GOAL 6: ECONOMIC VITALITY						
<u>AIRPORT OPERATING FUND - 611</u>						
Economic Development Asset	22	30	30	30	30	0
TOTAL GOAL - 6	22	30	30	30	30	0
TOTAL APPROPRIATIONS	99,308	86,877	87,260	86,778	88,112	1,334
Interdepartmental Adjustments	19,800	17,850	17,850	17,850	19,600	1,750
NET APPROPRIATIONS	79,508	69,027	69,410	68,928	68,512	(416)

REVENUE

Revenues for the FY/06 budget are expected to increase by \$1.89 million over the FY/05 budgeted level. Contributing factors include: the passenger facility charges (PFC); airline rents; and airport parking. The Sunport has seen a growth in the number of people traveling, which has had a positive impact on the PFCs. Airline rents will experience an increase due to new air services provided by Great Lakes and Chautauqua Airlines. The increase in parking revenue has been steady and consistent largely due to pricing being more competitive.

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Department Generated Fees for Service (\$000's)	ACTUAL FY/04	ORIGINAL BUDGET FY/05	ESTIMATED ACTUAL FY/05	APPROVED BUDGET FY/06	APPR 06/ EST ACT 05 CHG
Airfield	8,912	9,670	9,647	9,670	23
Passenger Facility Charge	7,900	7,500	7,571	7,500	(71)
Air Cargo Operations	1,978	2,002	2,149	2,017	(132)
General Aviation - AIA	673	630	615	630	15
General Aviation - DE II	64	60	76	65	(11)
Leased Sites	1,260	1,300	1,253	1,300	47
Concessions	11,044	11,266	10,628	11,291	663
Rent - Airlines	15,337	14,488	16,247	14,963	(1,284)
Airport Parking	7,020	6,664	7,425	7,464	39
Car Rental Facilities	5,401	5,100	5,733	5,100	(633)
U.S. Gov't Agencies	493	476	494	492	(2)
Special Security Service	575	600	615	600	(15)
Miscellaneous Revenue	126	50	172	166	(6)
Government Grants	185	165	120	80	(40)
Interest Earned	232	276	632	275	(357)

PRIOR YEAR ACCOMPLISHMENTS

- Successful in bringing American Utilicraft Corporation to the Aerospace Technology Park at Double Eagle II Airport.
- Completed the majority of the power and natural gas installation for expansion of the general aviation area and development of the Aerospace Technology Park at Double Eagle II Airport.
- Successful in bringing a new non-stop flight from Albuquerque to Newark (Continental Airlines) as part of the ongoing air service development effort at the Sunport.
- Completed the midfield development project at Double Eagle II Airport.
- Completed the extension of fiber optic conduit from the Double Eagle II Airport to Montano and Unser.
- Completed the foundation package for the new Sunport III hangar, the future paint facility for Eclipse Aviation.
- Actively conduct and participate in workshops/neighborhood meetings where members of the community openly discuss airport issues.
- Authored Aviation Easement for Mesa del Sol development.
- Investigate and respond to constituent inquiries with regard to aircraft noise.
- Coordinate noise reduction strategies with federal/state/local officials.
- Maintain responsive, healthy relationship with Kirtland Air Force Base and its various tenants.
- Passed the FAA's annual certification inspection of the Sunport conducted in April of 2005. Inspection includes 20 subsections and 75 specific items required under Federal Aviation Regulation Part 139.
- Completed the Sunport's FAA mandated, Tri-Annual Mass Casualty Exercise in October 2004. This exercise involved over 100 volunteers simulating various degrees of injury resulting from an aircraft mishaps. In addition to these volunteers, key participants in the exercise included; Kirtland Air Force Base Fire Department, Albuquerque Fire Department, Albuquerque and Superior Ambulance Companies and the Red Cross.
- Replaced expansion joints throughout the parking structure. Existing expansion joints were deteriorating and allowing water leakage and potential hazards to the traveling public.

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- Sunport Publication, "FLIGHT PATH" is a quarterly news magazine. The newly formatted magazine reflects pertinent business issues for both the Albuquerque International Sunport and Double Eagle II Airport. It often contains coverage of the Aviation Department, the airlines serving the Sunport, the Mayor's office, the Transportation Security Administration and other related Sunport business and events. The mailing list tailored to focus on New Mexico business leaders and all government entities.
- Sunport Website conveys informative information and a complimentary design, as well as, meeting city website standards, and 311 compliance.

PRIORITY OBJECTIVES

PUBLIC SAFETY GOAL: CITIZEN ARE SAFE, FEEL SAFE AND SECURE, AND HAVE TRUST AND SHARED RESPONSIBILITY FOR MAINTAINING A SAFE ENVIRONMENT.

- OBJECTIVE 10. Develop a plan for Double Eagle II consistent with the to-be-approved Fire Master Plan that addresses specialized airport rescue, structural firefighting, and EMS rescue capabilities by the end of the second quarter, FY/06.
- OBJECTIVE 12. Complete the project to expand security checkpoints at the Sunport and staff the new area by December 1, 2005.

PUBLIC INFRASTRUCTURE GOAL: ENSURE THAT ALL EXISTING COMMUNITIES ARE ADEQUATELY AND EFFICIENTLY SERVED WITH WELL-PLANNED, COORDINATED, AND MAINTAINED SEWER, STORM, WATER AND ROAD SYSTEMS AND AN INTEGRATED MULTI-MODAL REGIONAL TRANSPORTATION SYSTEM. ENSURE THAT NEW DEVELOPMENT IS EFFICIENTLY INTEGRATED INTO EXISTING INFRASTRUCTURES AND THAT THE COSTS ARE BALANCED WITH THE REVENUES GENERATED.



ensure that all of the Department's replacement and new vehicles use alternative fuels. Provide a status report to the Mayor and Council by the second quarter of FY06.

- OBJECTIVE 3. Complete Phase 2 of the Sunport Landscape Improvement Project by the end of the second quarter, FY/06.
- OBJECTIVE 4. The Aviation Department shall investigate the feasibility of providing a "park and wait" lot near the Sunport. Provide a report including suggestions to implement this idea and their estimated cost to the Mayor and Council by start of the second quarter of FY06.
- OBJECTIVE 5. When contracts are renewed, the Aviation Department shall require that private shuttle operators phase in vehicles using alternative fuels as vehicles are replaced; beginning July 1, 2006, the Department shall ensure that all of the Department's replacement and new vehicles use alternative fuels. Provide a status report to the Mayor and Council by the second quarter of FY06.

ECONOMIC VITALITY GOAL: ACHIEVE A VITAL, DIVERSE, AND SUSTAINABLE ECONOMY IN WHICH BUSINESSES AND RESIDENTS HAVE OPPORTUNITIES FOR SUCCESS.

- OBJECTIVE 6. The Aviation Department shall investigate the potential effects of repeal or changes to the Wright Amendment and develop a plan for mitigating potential negative effects and capturing potential positive effects of a repeal or other action; report to the Mayor and Council by the second quarter of FY06.
- OBJECTIVE 1. Establish a task force consisting of the Department of Aviation, the City Office of Economic Development, Greater Albuquerque Chamber of Commerce, Hispano Chamber of Commerce, Albuquerque Convention and Visitors Bureau, Albuquerque Economic Development, and other parties the Mayor deems appropriate. The Task Force shall develop plans and methodologies to establish direct air service between Albuquerque and airports serving principle markets/centers of economic activity important to the local economy. The Task Force shall begin a study of the possibility of Air Service between the Albuquerque International Airport and nations that are signatories throughout the North American Free Trade Agreement, including Canada. The Task Force shall pursue with the major airline tenant at the Albuquerque International airport a significant expansion of flight operations at the airport.

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- OBJECTIVE 3. Develop the Airport System Policy Plan that examines the assets, strengths, and weaknesses of both the Sunport and Double Eagle II Airports in order to develop policies to improve both airports. Submit the Plan to the Mayor and City Council by the end of FY/06.
- OBJECTIVE 4. Implement a marketing plan and begin a development action program to promote international commerce and activity in the Foreign Trade Zone at the Sunport. Submit a report to the Mayor and City Council by the end of the third quarter, FY/06.
- OBJECTIVE 5. Establish with TVI the Aerospace Training Center in the Aerospace Technology Park at Double Eagle II by the third quarter, FY/06, and report to the Mayor and City Council on progress by the end of the FY/06.
- OBJECTIVE 7. Institute a prototype development-ready sites program in the Aerospace Technology Park at Double Eagle II and the Foreign Trade Zone at the Sunport by the end of FY/06 and begin an evaluation of the program in FY/07. Create a prototype database of information regarding development-ready sites at ATP and the FTZ, evaluate the prototype, then establish the database and make the information available to the public by the close of FY/06.
- OBJECTIVE 8. Complete design and construction of Phase I of the Air Cargo Site Development Plan by the end of the second quarter, FY/06. Continue marketing activities and include the status in the report to the Mayor and City Council by the end of the third quarter, FY/06.
- OBJECTIVE 9. Complete the Double Eagle II control tower, distribution systems for power, gas and fiber optics, and reconstruction of runway 1735, and begin environmental review and design for roadway improvements by the end of FY/06.
- OBJECTIVE 10. Begin utility and roadway distribution throughout the Aerospace Technology Park at Double Eagle II and provide a status report to the Mayor and City Council by the end of FY/06.
- OBJECTIVE 11. In conjunction with the State establish direct flights between Albuquerque and Mexico by the end of FY/06.

